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# U. S. Sues Onassis in Ship Deals

By Walter Hamshar

Aristotle Socrates Onassis, Greek-born Argentinian ship owner, was asked yesterday in a Federal suit filed in United States District Court to surrender \$20,000,000 in alleged profits earned by sixteen ships; he is accused of purchasing illegally from the government.

The action, which is supplementary to thirteen suits for recovery of the vessels filed in the last fifteen months, also asked that Mr. Onassis surrender the ships immediately.

The thirteen suits were started as each of the vessels touched American ports. Two or three vessels are said to be laid up in foreign ports while the third, tied up on the West Coast, had not yet been libeled.

## Papers Served Here

Mr. Onassis has had a criminal indictment pending against him for six months charging that he acquired the vessels fraudulently. He was served with papers in the latest suit yesterday at his offices at 655 Madison Ave. His main offices are in Monaco where he owns the Monte Carlo Casino.

Edward J. Ross, counsel for Mr. Onassis, said the government's allegations were "completely unfounded" and that they would be contested in court.

Similar civil suits against foreign-controlled companies who bought tankers and cargo ships as American corporations have been upheld in the highest courts. The government has recovered \$6,000,000 in such suits to date including \$4,000,000 from Stavros Niarchos, one of Mr. Onassis' principal competitors in tanker operations.

## Indictments Quashed

Criminal indictments against former Rep. Joseph Casey, D., of Mass.; Brig. Gen. Julius C. Holmes, State Department career officer, and E. Stanley Klein, New York financier, for their activities in the ship deals have been dismissed.

In yesterday's suit, the court was asked to enter an order declaring that the title to the sixteen vessels and all their earnings since they left the government's surplus fleet in 1940

are the property of the United States because the corporations of the Onassis group owning them are actually alien controlled.

Mr. Ross denied that any misrepresentations were made in purchasing the vessels. He said that at the time of the purchase the United States Maritime Commission made a special study of the situation and approved the transaction knowing of Onassis' large—but not controlling—interest in the operating concerns.

The law permitting the sale of the surplus ships required that they be operated under the American flag by American controlled companies.

Mr. Ross said that he did not know how the government arrived at the \$20,000,000 figure for the profits.

He noted that the government's first suit against Mr. Onassis, following the seizure in Delaware of the tanker St. George, resulted in a favorable ruling for Mr. Onassis and is now being appealed.

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